

Headquarters
California National Guard
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*California National Guard
Regulation 215-1

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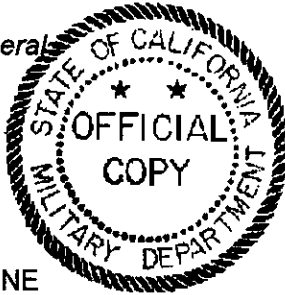
Fiscal Administration

Accounting and Finance Administration of State Nonappropriated Funds

FOR THE GOVERNOR:

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Major General
The Adjutant General

OFFICIAL:



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Applicability. This regulation applies to all elements of the California National Guard, California Military Department, California State Military Reserve, California Cadet Corps, and any other activity subordinate to The Adjutant General.

Proponent and exception authority. The proponent and exception authority of this regulation is the State Comptroller. Supplementation and any exceptions to this regulation are prohibited without prior written approval from the State Comptroller.

Interim changes. Interim changes in this regulation are not official unless they are authenticated by the State Comptroller.

History. This regulation supersedes CA ARNGR 230-1, dated 24 June 1975.

Summary. This regulation establishes policies, procedures, and responsibilities for Nonappropriated Funds whose official status is not considered or designated Instrumentalities of the United States, and not regulated by US Army and US Air Force Instructions covering nonappropriated funds.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms), directly to Office of the Adjutant General CA ARNG, P.O. Box 269101, Sacramento, CA 95826-9101, ATTN: CAST.

Distribution. Distribution of this regulation is Army - A and Air - F

Contents (Listed by paragraph and page number)

Chapter 1

Purpose, Authority, Scope

Purpose • 1-1, page 1

Authority • 1-2, page 1

Scope • 1-3, page 1

Chapter 2

Management of State Nonappropriated Funds

Fiscal and Legal Requirements • 2-1, page 1

Property and Assets of State Nonappropriated

Funds • 2-2, page 2

Dissolution of State Nonappropriated

Funds • 2-3, page 2

Chapter 1

Purpose, Authority, Scope

1-1. Purpose

This regulation establishes policies, procedures, and responsibilities for California National Guard, California Military Department, California State Military Reserve, and California Cadet Corps Nonappropriated Funds whose official status is not considered or designated Instrumentalities of the United States, and not regulated by US Army and US Air Force Instructions covering nonappropriated funds.

1-2. Authority

a. California Military and Veterans Code, Section 431(c).

b. Approval of supplements or changes to this regulation is the responsibility of the State Comptroller, California Military Department. Suggestions and recommendations for improvement are encouraged.

c. State Nonappropriated Funds will be established and maintained by respective Commanders and/or State Fund Managers in accordance with the policies and procedures contained in this regulation.

d. The next higher Command will be notified whenever Funds covered by this regulation are established.

1-3. Scope

a. Nonappropriated Funds covered in this regulation are considered as State Nonappropriated Funds and Instrumentalities of the State of California. They cover activities that involve fiscal income and/or expenditures, and/or receipt of disposition of property, and that are

- (1) not state or federal appropriations,
- (2) on-going and continuous,
- (3) not one-time events or activities for fiscal purposes, and

(4) used to promote programs and purposes associated with the California National Guard, California Military Department, California State Military Reserve, and California Cadet Corps.

b. This regulation does not cover Unit Funds and other Federal Nonappropriated Funds whose sources of income are derived from federal sources, are considered as Instrumentalities of the United States, and are regulated by National Guard Regulation 230-65, ANGR 34-3, and ANGI 34-107.

Chapter 2

Management of State Nonappropriated Funds

2-1. Fiscal and Legal Requirements

a. State Nonappropriated Funds in existence on the date of publication of this regulation, and State

Nonappropriated Funds established after publication of this regulation will conform to the following requirements.

(1) Comply with State and Federal laws and codes when applicable.

(2) Purpose and function of each State Nonappropriated Fund will be placed in writing, and maintained in the respective Fund's records.

(3) If applicable, membership and councils will be established in writing, setting forth criteria, organization, and procedures to be followed.

(4) Financial accountability and record keeping systems will be maintained to ensure the highest level of fiduciary clarity and correctness.

(5) Financial and property records will be maintained in such a manner that will satisfactorily meet periodic internal and external reviews and/or audits by appropriate authority.

(6) Actions that involve the purchasing, and/or dispensing of alcoholic beverages will comply with guidelines, regulations, and laws administered by the California Department of Alcoholic Beverage Control. This policy also applies to licensees of Military Department facilities.

(7) If required, quarterly and/or income tax returns shall be filed with State Franchise Tax Board, and Internal Revenue Service within the time limit requirements.

(8) Billeting Funds at CA ARNG locations will adhere to all policies and procedures contained in National Guard Regulation (AR) 37-109.

(9) Appropriations from federal resources may be used to support California National Guard facilities used for state nonappropriated fund activities if such facilities are identified on the appropriate federal support documents.

(10) Loans or financial support from Billeting Funds to other nonbilleting funds are not authorized.

(11) Periodic Reviews.

(a) Billeting Funds will be reviewed in accordance with NGR 37-109.

(b) Funds other than Billeting Funds will be reviewed or audited by the State Comptroller, and can be reviewed by other authority when deemed appropriate by respective chain of command.

(c) All State Nonappropriated Funds are always subject to review and audit by State of California audit authorities.

(12) Internal controls will be established to prevent fraud, embezzlement, theft, and wrongdoing.

b. Nonappropriated Funds will not be used to

- (1) provide personal gain to any person,
- (2) discriminate against any person or organization whose purpose is not to degrade the objectives and missions of the California National Guard,
- (3) promote political or partisan activities of individuals or organizations, or

(4) coerce involuntary membership.

c. Fraud, theft, or significant wrongdoing will be reported in a timely manner to the State Comptroller who will provide the information to appropriate authority for corrective and/or disciplinary action.

2-2. Property and Assets of State Nonappropriated Funds

a. Property and assets acquired, owned, and disposed by Billeting Funds will be managed in accordance with NGR 37-109. Property and assets acquired and owned by non Billeting Nonappropriated Funds will be identified and recorded in the respective Funds' property books or financial records.

b. Inventories of property and assets, and property record updating will be accomplished biennially as a minimum requirement.

c. Disposal of property owned by nonbilleting Funds will be approved by the respective Funds' councils, or Fund Managers if no council exists.

2-3. Dissolution of State Nonappropriated Funds

a. Prior to dissolution, all unpaid obligations and other fiscal liabilities related to the respective State Nonappropriated Fund will be liquidated.

b. Liquid assets and property that are surplus upon Fund dissolution will be distributed in accordance with a dissolution plan approved by The Adjutant General and coordinated with the State Comptroller.

c. A terminal audit will be conducted by the State Comptroller within 90 days of a Fund's dissolution.